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Imperial Ordinance Sanctions Revisions For Office of Liaison

Scope of Vital Postwar Organ Enlarged by Decree Issued On Monday

An Imperial Ordinance revising the reglations govering the Central Liaison Office was promulgated on October 1, following the recent approva: by the Privy Council of the reform plan

The Imperial Ordinance follows: "We sanction the matter of reform of the regulations of the Liaison Office after deliberations on it by the Privy Councilors and hereby cause it to be promulgated."

(Imperial Sign Manual)
(Privy Seal)

October 1, 1945

Prime Minister
Foreign Minister

IMPERIAL ORDINANCE

Regulations of the Liaison Office

Article 1. The Liaison Office falls under the jurisdiction of the Foreign Minister and is to be concerned with business concerning liaison with the authorities of the Allied Powers with regard to the terminating of the War of Greater East Asia.

Article 2. The Officies for Liaison are to be the Central Liaison Office and the Local Liaison Offices.

The names of the Local Offices, the court rank of the officials, and the matters under the jurisdiction of the Offices are to be fixed by the Foreign Minister.

Article 3. The Central Office shall have the following officers:

President Shinnin Rank.
Vice President Two Chokunin Rank.
Department Directors Six Chokunin Rank.
Private Secretary (full time) One Sonin Rank.
Liaison Officers (full time) 163 Sonin Rank.
Assistant Liaison Officers (full time) 96 Hannin Rank.
One of the posts of Vice President is to be held concurrently by the Foreign Vice Minister.

Article 4. Each of the Local Offices shall have the following officers:

Director:
Liaison Officers (full time) 44 Sonin Rank.
Four of them can be of Chokunin Rank.
Assistant Liaison Officers (full time) 35 Hannin Rank.
The post of Director is to be filled by one of the Liaison Officers.
The disposition of Liaison Officers and Assistant Liaison Officers in the various Local Liaison Offices is to be made by the President.

Article 5. In case of need the Cabinet may at the request of the Foreign Minister appoint liaison officers in the Central Office or the Local Offices from among the officials of Koto rank in the various Government offices concerned, in addition to the officers mentioned in Article 2.

Paragraph 3 of the foregoing article shall apply correspondingly to the liaison officers in the Local Offices appointed according to the foregoing paragraph.

Article 6. The Secretariat of the President, the General Affairs Department, the First Department, the Second Department, the Third Department, the Fourth Department, and the Fifth Department are to be established in the Central Office.

The division of business between the Secretariat and the various Departments is to be determined by the President.

Article 7. A number of Councilors are to be appointed in the Central Office and the Local Offices. They are to take part in the affairs of the Offices.

The Councilors are to be appointed by the Cabinet at the request of the Foreign Minister from among the officials of Koto rank in the various Government offices concerned and persons with knowledge and experience.

Article 8. The President is to preside over the affairs of the Office, to direct and supervize the officials in the Departments, and to be exclusively concerned in deciding whether a Liaison Officer in the Central Office or in the Local Offices shall remain in office or not.

Article 9. The Vice Presidents are to assist the President and direct and manage the affairs of the Office.

Article 10. The Directors of Departments are to direct and manage the affairs of the Department under orders from the President.

Article 11. The Private Secretary is to manage affairs concerning secrets under orders from the President.

Article 12. The Directors of Local Offices are to direct and manage the affairs of the Office under orders from the President.

Article 12. The Liaison Officers are to manage the affairs of the Central office and the Local Offices under orders from their superiors.

Article 14. The Assistance Liaison Officers are to attend to the affairs of the Central Office and the Local Offices under orders from their superiors.

Additional Rules

This Ordinance is to go into effect from the date of promulgation.

Those officials of Koto or Hannin rank in the Foreign Office or Assistant Liaison Officers in the Central Liaison Office or Liaison Officers or Assistant Liaison Offices in the Local Liaison Offices at the time of the enforcement of this ordinance. if they do not receive written orders specially issued, are to be regarded as having been appointed to the office correspondent with the position with the official rank and salary attached to the office.

Kodama Heads Liaison

Kenji Kodama was appointed President of the Central Liaison Office following the installation ceremony in the Imperial Palace on Monday. Under the President, two Vice-Presidents were appointed: Tatsuo Kawai, Foreign Vice-Minister and concurrently President of the Board of Information, and Tsutomu Nishiyama.

The Central Liaison Office is divided into five departments. Sadao Iguchi was appointed Director of the General Affairs Department, Eki Sone, Director of the First and Third Departments, Vice-President Nishiyama concurrently Director of the Second and Fourth Departments, and Katsuzo Okumura, Director of the Fifth Department.

Four Regional Liaison Secretaries were appointed at the same time. They are Tadakazu Suzuki, Ribin Akiyama, Baron Yasushi Hayashi and Teiichiro Takaoka.

Labor Representation On Japan Control Body Sought By CIO Leader

Domei

PARIS, September 28.—Sidney Hillman, leader of the United States CIO delegation to the World Trade Union conference in session here, today proposed the conference members to appoint a commission to visit Germany to investigate and examine the present German economic and social conditions. Mr. Hillman also asked that the labor delegates approve his demand that labor be represented in advisory capacity on the Allied Control Commission and also for representation on the control council for Japan.

Labor Meetings Set For Various Cities

Plan Is Decided by Leaders of Ex-National Council of Labor Unions

The opening of mass labor meetings at various important cities in the country was decided upon by about 30 leaders of the former National Council of Labor Unions who met at the residence of Kanju Kato on September 29.

The aim of the meetings is to form a committee to prepare the organization of labor unions, advance of wages due to increased commodity prices, opposition to forced retirement from employment, establishment of an unemployment insurance system, and the immediate release of political criminals.

It was also decided that discussions should be held on Mr. Kato's proposal to form a single labor union in the country.

Labor Leaders Meet

In order to revive the former Tokyo Transportation Workers Union which had a brilliant history in the old days of the labor union, a meeting of the preparation committee was held on September 28, attended by 35 labor leaders including some girl employes of the metropolitan tram service.

The Tokyo Transportation Workers Union was formerly noted for the labor strikes it carried out. In its new structure, however, it intends to become an organ to guarantee the stable livelihood of all members, while contributing to the reconstruction of the transportation system in the metropolis. It will also have a group negotiation privilege.

The new union is expected to be formed by the middle of October. Upon its establishment, it plans furthermore to restore the League of Transportation Workers Union, as a national labor organization which was formerly organized by the unions in the six big cities of the country.

Weather Report

Today's weather forecast by the Central Meteorological Observatory at 11 a.m. Monday:

Cloudy with northeast winds and occasional rain. Unsettled weather continues.

Communique Issued On Demobilization

81 Per Cent of 2,253,000 Troops in Mainland Discharged by September 24

The Board of Information on Sunday issued a communique concerning the progress of the demobilization of the Japanese forces in the mainland following the report on the condition thereof as of September 24 submitted to the Headquarters of the Allied occupation forces by the Japanese War Ministry. The foregoing revealed that the Japanese armed forces in the mainland totaled 2,253,000 on August 15 and that of this number, 1,833,634 or 81 per cent were demobilized up to September 24.

The gist of the communique follows:

1. Demobilization of the Japanese field forces in the mainland: The demobilization of the Japanese forces is progressng smoothly. While their disarmament has been completed, the collection of munitions to be turned over to the Allied forces has virtually been brought to an end. Up to September 24, more than 81 per cent of the Japanese armed forces were demobilized and full demobilization is expected to be realized by October 15.

The officers and men to be demobilized after being disarmed shall, in principle, be allowed to return home following their transfer in groups from the places of their assignment to the places where they were mobilized. These officers and men, ordered to remain with the task of supervision and transfer of munitions to the Allied forces, shall be released from their duties upon the completion of the mission.

2. The Japanese overseas forces are stationed in the following areas: Kurile Island, Saghalien, Manchuria including the northeastern part of Korea, Ogasawara and Minamitorishima Islands, Central and South Pacific areas including the Mariana, Marshall, Caroline, Palau and other islands, Korea excluding the northeastern part of the Peninsula, the Southwestern Islands, Formosa, North China, Central China, South China, the Philippines, New Britain and Bougainville, Central New Guinea, Celebes and the area east of Celebes including the western part of New Guinea, Borneo, Java, Sumatra, Malaya and the Andaman Islands, French Indo-China, Siam and Burma.

3. The return of approximately 3,000,000 Japanese overseas forces is expected to take a long time due to shipping shortage. On their arrival in the mainland, they shall be released from their duties as they go through quarantine at ports.

4. A treatment of the sick and wounded: the number of the sick and wounded in the military hospitals in the mainland was approximately 80,000 in the middle of August. These military hospitals shall in future be transferred to the jurisdiction of the Ex-servicemen's Protection Board and they shall continue to take care of their inmates. Protection Board and they shall continue to take care of their inmates. Those inmates shall remain in the hospitals until they fully regain their health. Artificial eyes or legs shall be furnished if necessary. Vocational guidance and assistance in securing employment shall be extended to them.

b) As for the sick and wounded outside the country, their number totals approximately 180,000 including some 120,000 necessary to be transferred to the mainland by means of hospital ships. For the transfer of those who are required to return promptly to the country, hospital ships are expected to be dispatched. Upon their arrival in the country, the sick and wounded from the overseas are scheduled first to enter military hospitals located nearest to the places of landing and then shall be transferred to military hospitals located near their native places or the places of their choice.

5. Matters concerning home affairs and others in the the absence of servicemen: After the dissolution of the Army and Navy, some Government organ is expected to be entrusted with the task of handling the matters concerning the killed and those whose fate is unknown, matters concerning ashes of the killed or possessions left by them and the matters of payment of wages of the servicemen to their families. The payment of allowances to bereaved families is guaranteed after the dissolution of the Army and Navy.

B-29's Flying Over N.Y.

Domei

NEW YORK, September 27.—The three army B-29's which made the recent non-stop flight from Japan to Washington will land at LaGuardia Field here on Monday after making a high altitude flight over the city, it was announced yesterday at the headquarters of the army air command at LaGuardia Field.

Redress by Japanese For Lost Art Objects To Be Asked by China

Domei

CHUNGKING, September 29.—The Committee for the Protection of Chinese Cultural Assets in Chungking is making preparations to send a representative body to Tokyo to demand the return or payment of indemnities for art objects seized or damaged by the Japanese from the time of the Manchurian Incident. The committee has already made a request to General MacArthur's Headquarters that the Imperial Museum in Tokyo which has in its collection a complete collection of historical and art objects be taken over. It is learned that the assistant curator of the New York Metropolitan Museum is at present in Chungking giving his assistance as the American representative in the work of the committee.

Domei News Agency Decides to Disband

Decision Made at Meeting of Board of Directors Held On Sunday

A decision to disband was reached by the Domei News Agency at the 33rd meeting of the board of directors which was held at the Domei Conference Hall from 1:15 p.m. on Sunday. The meeting was attended by Chairman Shingoro Takaishi of the board of directors and 18 directors, as well as President Inosuke Furuno and all the managing directors of the news agency.

After the conferees had listened to a report from President Furuno, a resolution was submitted for discussion to the effect that in view of the prevailing circumstances the Domei News Agency, rather than to continue its business in the present form, should voluntarily dissolve.

At the same time Mr. Furuno and the manging directors offered their resignations. On this basis various discussions were held resulting in a resolution to call an extraordinary meeting of staff members on October 12 and formally decided on the dissolution. It was decided that Mr. Furuno and all the managing directors should continue in their posts until the formation of a new news agency. The meeting closed at 2:30 p.m.

The news agency was organized as a joint organ of all the newspapers in Japan and the Japan Broadcasting Corporation in November 1935.

Absorbing the then existing Shimbun Rengo Tsushinsha, the Domei News Agency began its activities from January 1, 1936. In June 1936 it merged with the Nippon Dempo News Agency, which together with the Shimbun Rengo Tsushinsha formed the two leading news agencies in Japan and as an exclusive news organ reported both internal and foreign news.

With the death of the first president, Yukichi Iwanaga in September 1939, Inosuke Furuno became president and he has remained in this post to the present.

Gairdner Leaves Tokyo

Lieutenant General Charles Gairdner, the British Prime Minister's personal representative to General MacArthur, was scheduled to leave Monday for London to confer with Prime Minister Attlee. He will be accompanied by his chief of staff, Brigadier Colin K. Davy. Prior to their departure, General Gairdner and Brigadier Davy today conferred with General MacArthur.

Togo Reports to M.P.

Shigenori Togo, former Foreign Minister in the Tojo Cabinet, reported to the Military Police Headquarters of the U.S. 8th Army as a war criminal on the afternoon of September 30. Mr. Togo had already been placed under arrest by the Allied Supreme Headquarters on September 14 when he returned to his residence in Azabu-ku from Karuizawa. Owing to illness, however, he asked for time before giving himself up.

Mayor Chen to Dairen

Domei

CHUNGKING, September 29.—The newly appointed Mayor Chen Chi of Dairen left here by air today for Shanghai from where he will proceed by ship to Dairen.

Army, Navy Staffs Fold Up

The Japanese Army and Navy General Staffs were abolished on September 30.

Over 21 Institutions Hit by New Directive

Officers Must Be Discharged—Safeguarding of Closed Premises, Assets Ordered

The directive issued by the Headquarters of the Supreme Allied Commander on September 30 to the Japanese Government regarding the immediate closure of all colonial and foreign banks and special wartime institutions in Japan follows in full:

"1. You will immediately close and not allow to reopen, except at the direction of this headquarters, the head offices, branches and agencies in Japan of the banks and other financial institutions enumerated in Inclosure 1, attached hereto.

"2. You will immediately post signs on the premises declaring that the institutions are closed.

"3. Guards will be posted at all premises occupied by such institutions, and access to the premises will not be permitted except as directed by this headquarters.

"4. Any books, records and papers of the institution which are not on the premises occupied by them will be taken into custody and delivered into the special custody of this headquarters.

"5. You will impound all gold, silver, currency, securities, notes, mortgages, pledges and other assets of the institutions which are not located on the premises occupied by them.

"6. You will take such action as is required to prevent and prohibit, without prior permission of the Ministry of Finance, any purchase, sale, transfer, withdrawal, or disposition of, or other transaction involving any assets of such institutions. No such transaction will be permitted by the Ministry of Finance without authorization of this headquarters.

"7. You will discharge and summarily remove from office the chairman of the board of directors, the president, the managing directors and the advisers of all institutions listed in enclosure 1, and all other persons holding comparable posts in such institutions; and you will forbid them to enter into or to act for institutions with which they were associated. You will cancel the authority of all persons holding powers of attorney or signing authority and will not permit any authority or power to act on behalf of such institutions to be given to any other persons without the authorization of this headquarters. All the officers, directors and other officials of such institutions will remain available and will not change their address without the authorization of this headquarters.

"8. a. You will safeguard and preserve, not remove or permit to be moved from their present location, any of the following:

(1) Any plates used for printing currency and stamps other than notes of the Bank of Japan, Japanese State notes, and stamps used solely within Japan.

(2) All stocks of manufactured currency and stamps other than notes of the Bank of Japan, Japanese State notes, and stamps used solely within Japan.

(3) All watermarked paper intended for the manufacture of currency and stamps, other than notes of the Bank of Japan, Japanese State notes, and stamps solely for use within Japan.

b. You will report to this headquarters by 0900 hours, 2 October 1945, the location of all of the items listed in "a" above.

"9. You will report immediately to this headquarters the action taken to comply with these requirements.

"10. An acknowledgement of the receipt of this memorandum is desired."

Inclosure I

List of Financial Institutions to Be Closed by Japanese Government

1. Wartime Finance Bank (Tokyo)
2. United Funds Bank (Tokyo)
3. All branches and agencies in Japan of Bank of Chosen (Tokyo, Osaka, Nagoya, Kobe, Shimonoseki, Fukuoka)
4. All branches and agencies in Japan of Bank of Taiwan (Tokyo, Osaka, Yokohama, Kobe)
5. Southern Development Bank (Tokyo)
6. Overseas Funds Bank (Tokyo)
7. Deutsche Bank Fuer Ostasien (Tokyo)
8. Offices in Japan of Central Bank of Manchu (Tokyo)
9. Offices in Japan of Bank of China (Osaka)
10. Banque Franco-Japonaise (Tokyo)
11. Oriental Development Company (Tokyo)
12. Nanyo Development Company (Tokyo)
13. North China Development Company (Tokyo)
14. Central China Development Company (Tokyo)
15. South Manchuria Railway Company (Tokyo)
16. Southern Development Company (Tokyo)
17. Taiwan Development Company (Tokyo)
18. Manchuria Development Co., Ltd. (Tokyo)
19. Manchuria Heavy Industry Development Co., Ltd. (Tokyo)
20. Chosen Colonization Bank (Tokyo)
21. National Financial Control Association (Tokyo)
22. All other banks, development companies, and institutions whose foremost purpose has been the financing of colonization and development activities in areas outside Japan or the financing of war production by the mobilization or control of financial resources in colonial or Japanese occupied territory.

4-Power Body Fixed To Formulate Policy On Japan Occupation

A Four-Power Commission to formulate the Allied policy for the occupation of Japan has been agreed upon in London, according to a San Francisco dispatch dated September 30. It was announced on Sunday by James Byrnes, U.S. Secretary of State, that the United States, Great Britain, China and Russia will be represented. According to the announcement, the first meeting of the Commission will be held in Washington with later meetings in Tokyo. The Soviet Union has requested that the Allied forces should actually control Japan and Secretary Byrnes said that this proposal will be considered when the Four-Power representatives meet in Washington.

Nippon Export Trade To U.S. Is Predicted

Wall Street Journal Bases Opinion When Production Revamped, Ships Available

Domei

WASHINGTON, September 28.—The Wall Street Journal correspondent Henry Gemmill said in a dispatch yesterday that wares branded "Made in Japan" will be landing on American docks possibly as soon as the Japanese can get their production reorganized and ships become available.

The correspondent pointed to the fact that the State Department Advisory Economic Mission headed by Woodbury Willoughby of the Division of Commercial Policy is to be dispatched to Japan shortly with the prime task of controlling and reviving Japan's foreign trade.

He also pointed to the policy for conquered Japan which was made in the document of post surrender instructions which President Truman dispatched to General Douglas MacArthur early this month. This policy ran somewhat like this:

"Japan's stricken economy is to be revived by Japanese efforts but with Allied encouragement.

"Restoration of the foreign trade is the keystone of the Japanese economic revival."

In the long run, the Wall Street Journal article said, it is anticipated that Japan must find its greatest commerce in the Far East. But for several years, the reaction will be very rough there because of the hostility created by the unhappy operations of the "Greater East Asia Co-Prosperity Sphere."

But history of past postwar eras shows, it said, that war-born hatreds lose their potency and are overpowered by motives of profit. Merchants of India, China, Burma and other states of the Orient will sooner or later swallow their objections to handling Japanese goods, for the Japanese will probably long retain their low-price advantage over wares made by Occidental labor.

Concluding with a brief resume of the foreign trade between the United States and Japan, Mr. Gemmill believed that private traders are unlikely to find a place in the initial commerce with Japan. The old Treaty of Commerce and Navigation of 1911 under which prewar trading was done has been abrogated so transactions would probably have to be under the military rule.

Adm. Halsey to Retire

Domei

PEARL HARBOR, September 28.—Admiral William F. Halsey, Commander of the U.S. 3rd Fleet, announced at a press conference today that he had requested retirement. The Admiral who recently returned from Japan en route to the United States said he was taking the step in order to give the younger officers a chance. In Washington, however, the Navy Personnel Bureau said that no request for retirement had been received from Admiral Halsey. Admiral Halsey said he planned to leave Pearl Harbor on October 9, leading his fleet back to the west coast for Navy Day on October 27.

Allied Forces Close All Financial Firms Aiding in War Effort

U.S. 6th, 8th Army Units Take Action Sunday Following Handing of Directive

Allied occupation authorities, on September 30, closed and seized all banks and financial institutions in Japan whose main purpose had been the financing of Japanese war production and mobilization and control of financial resources in former Japanese-occupied territories.

Armed detachments from the 6th and 8th Armies moved in at 4 p.m. on Sunday to surround the institutions, which will be closed and eventually liquidated under direction of the Allied occupation staff.

Directive Handed Japanese

At 3:45 p.m., representatives of the Japanese Finance Ministry arrived at occupation headquarters in the Dai-Ichi Building in downtown Tokyo and 15 minutes later, simultaneously with the troop seizure, the Japanese were handed an Allied directive ordering the closing of the institutions, freezing of their operations, and removal of their officials. The directive was handed them by Col. R. C. Kramer, chief of the Economic and Scientific Section, as the Allied guard detachments in all parts of Japan were moving in quickly and quietly and soon walking around the buildings, which were closed anyway because it was Sunday.

The Japanese government was ordered to close immediately and not allow to reopen, except at the direction of occupation headquarters, 21 institutions which were definitely named, plus their branches and agencies. Access to the buildings will not be allowed except by direction of GHQ authorities. Besides the 21 specifically named institutions, the directive also ordered closed all others whose foremost purpose has been to finance colonization and development activities in areas outside Japan, or to finance war production, by mobilization or control of financial resources in colonial or former Japanese-occupied territory. The government was directed to take custody of and deliver to occupation authorities all books, records and papers not on the premises occupied by the guards, and to impound all gold, silver, currency, securities, notes, mortgages, pledges and other assets not on the premises.

The directive ordered the government to take all necessary action to prevent, without prior permission of the Finance Ministry, any purchase, sale, transfer, withdrawal or other disposition of any assets. The ministry may not authorize any such transactions without approval of Allied authorities.

Bigwigs Are Removed

The government was ordered to "discharge and summarily remove from office" the chairman of the board of directors, the president, the managing directors, the president, the managing directors and the advisers of the institutions listed. Those officials were to hold themselves available and not to change their addresses.

Plates used for printing, all stocks on hand, and all watermarked paper intended for manufacture of currency and stamps, except notes of the Bank of Japan, Japanese state notes and stamps used solely within Japan, were ordered to be safeguarded and not moved from their present locations.

Most of the institutions are not banks of deposit in Japan but rather were designed to spearhead and support financial penetration and domination of former Japanese-occupied territories, including the Philippines. They include institutions that worked hand-in-glove with the Japanese government to further Japanese political, economic and military, as well as financial, inroads into such areas as Korea, Formosa, China, Manchuria, the Philippines, Malaya, Borneo, Java and India. They were controlled directly or indirectly by the Japanese government and their shareholders mainly were members of the Imperial Household and other financial institutions that were likewise under government control and domination.

One of the principal objectives of the bank closings will be to untangle the inter-locking and over-lapping financial operations of the Japanese government and financial institutions in occupied areas during the war.

Chosen Bank Closed

A step in the program to make the economy of Korea independent of that of Japan is the closing of the branches in Japan of the Bank of Chosen, which Allied authorities said was virtually a branch of the Bank of Japan. The Bank of Chosen was originally set up as a Japanese-Korean bank in 1909 but was recognized as a Japanese bank in 1911. Its head office nominally is in Seoul.

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Mercantile Fleet Of Japan Seen Gone

Costly War Losses Bared in Check-Up—Few Ships Left For Repatriation

Only about 35 ships remain of Japan's once great merchant fleet which will be used to repatriate her millions of subjects from Asia and the Pacific islands. Robert Trumbull said in a recent dispatch to the New York Times.

Few of these vessels, he stated, are of more than 500 tons. The information on which he based his story was uncovered by the United States 5th Fleet officers in checking Japan's available shipping.

Japanese vessels will be used wherever possible to return the garrisons from such bases as Truk, Palau and the Ryukyu Islands in addition to repatriating several million Japanese nationals from China, Korea and Manchuria.

Unless repatriation is carried out, it is feared the Allies will be saddled with the problem of feeding these persons.

Almost all of Japan's large merchant vessels have been sunk by submarine or air action and the nation now has one of the smallest merchant fleets of any country bordering the sea.

Even some parts of this abbreviated fleet must be reconditioned as a result of the neglect that set in when American submarine action forced Japan's few remaining cargo carriers off the Empire's supply lines.

American airmen and submarines in the last six months of the war reported sighting few targets on Japanese sea lanes. Submarines particularly encountered few ships worth the price of a torpedo. All big ships apparently had been sent to the bottom but it was not until the United States Navy began checking the Japanese harbors and shipyards after the war's end that the fantastic plight of the Japanese sea power became fully known.

Ship Request Rejected

Following is the full text of the reply by the Headquarters of the Allied Supreme Commander on September 27 in regard to the recent Japanese Government request for permission to divert 260,000 tons of Japanese shipping to facilitate the return of Japanese soldiers from areas outside the home islands:

Shipping for Repatriation of Japanese Nationals

"1. Reference is made to your proposed plan to utilize 260,000 tons of Mercantile Marine for the repatriation of Japanese Nationals.

"2. Information furnished to this headquarters by the Imperial Japanese Government indicates that the use of 260,000 tons of shipping for this purpose will leave insufficient shipping available to provide for the maintenance of the health and of a minimum essential standard of living for the civil population of Japan.

"3. The shipping requirements deemed necessary by the Imperial Japanese Government to provide for the essential requirements of the civil population will be periodically reviewed. Until such requirements have been met, it is directed that:

a. Only such ships as are obviously more efficient when used as passenger ships than as cargo ships will be used for repatriation.

b. No further conversion of cargo ships to passenger carrying ships will be authorized at this time.

c. A list be submitted of those ships, with their tonnages and personnel capacities, which are now classed solely or primarily as passenger carrying vessels. This list should include hospital ships, giving capacities carrying sick and carrying persons not sick.

"4. Authorization is given to transporting passengers on cargo ships when insufficient cargo is available to insure the maximum utilization of the carrying capacity of the ship.

For the Supreme Commander:
Harold Fair (SGD.)
Lt. Col., A.G.D.,
Ass't Adjutant General".

PALESTINE AS REFUGE

Idea Backed by Truman to Aid Displaced Jews From Reich

The subject of Palestine has been raised again in a White House statement in which President Truman is requesting a reply to a request he has made to the British Government that Palestine should become a refuge for displaced jews from Germany, according to a London dispatch dated September 30.

Only a few days ago a British news agency correspondent quoted a high authority for saying that Britain was referring all questions concerning Palestine and Jewish immigration to the Council of United Nations when it is set up. This correspondent said that the United States has turned down a British offer for joint responsibility. The Brit'sh Government's view he added, was that further responsibility must be shared by all the Allies.

Allied Forces Close All Financial Firms Aiding in War Effort

(Continued From Page 1)

capital of Korea, but the real center of its affairs is in Tokyo. It maintained 14 branches in Korea (which will remain open), six in other parts of the Japanese Empire (which will be closed), eight branches in North and Central China and an agency in New York. It controlled the Industrial Bank of Manchu in Manchoukuo.

The capital of the Bank of Chosen was jointly owned by the Japanese government, the Government-General of Korea, the Imperial Japanese Household, financial institutions in Korea, and Japanese nationals. The bank played a most important political role in the westward expansion of the Japanese Empire, with its assets at the end of 1940 more than ¥2,000,000,000. In particular, during the '30's, its branches in Manchuria and North China formed a network of strategic centers for economic and political penetration and operated as an "army bank" on behalf of Japanese forces during military occupation.

Taiwan Bank Affected

Branches in Japan of the Bank of Taiwan will be among those closed. Its capital is held by 3,000 shareholders which includes the Imperial household and the most important banking institutions in Formosa. Like the Bank of Chosen, its business center was Tokyo although its legal head office was in Taihoku on Formosa. At the end of 1940 its assets were somewhat under ¥1,000,000,000. Sixteen branches were maintained in Formosa, four in other parts of the Japanese Empire and 17 in China, Southeast Asia, India, Great Britain and the United States.

This history of the bank has been characterized by successive phases of political maneuvering, speculative expansion and salvage work by the government. Its business in Formosa was closely related to exploitation of local resorces.

Performing important functions on behalf of Japanese military and naval administrations in Southeast Asia, its special area of activity and influence included the Pacific Islands, the Philippines, the Celebes, Dutch Borneo and New Guinea. To finance the expansion of its activites, the bank increased its capital, drew on growing deposits and availed itself or military funds.

Control Body Shut Down

Another institution that was closed is the National Financial Control Association, which was created in 1942 to bring all financial institutions into the state political and administrative structure, insuring co-ordination in savings and credit policies. It was presided over by the Governor of the Bank of Japan and had as its members the national control associations of the various types of financial activities and local financial control organizations. The association served as the instrument for the execution of policies decided upon by the Ministry of Finance. Main functions of members were to present proposals and reports to the government, apply regulations and orders, and to promote agreements on rates, terms and conditions for financial operations. All banking operations were subject to direction of the association, which drew up plans for covering the financial requirements of the government and issued directives for the carrying out of such plans. The association determined the required aggregate savings for the fiscal year and allocated to the various subordinate associations the quotas which their member institutions were expected to collect. It likewise allocated bank funds among the various types of loans and advances and among prospective borrowers, and fixed the percentage of news deposits which banks were required to invest in government bonds.

Many Others Closed

Also closed was the Wartime Finance Bank, created in 1942 to undertake wartime financing falling outside the functions of other financial institutions. Its balance sheet showed ¥3,000,000,000 in March, 1944, and ¥3,500,000 by March, 1945. It was capitalized at ¥300,000,000 of which ¥200,000,000 was subscribed by the government and ¥100,000,000 by financial institutions. It was permitted to issue government-guaranteed debentures up to 10 times its paid-up capital of ¥150,000,000.

Another institution closed down is the Southern Development Bank, which was founded in 1942 for the management of financial affairs in territory under Japanese military administration. It was given an authorized capital of ¥100,000,000, to be provided by the government, and could issue debentures up to ten times its paid-up capital of ¥60,000,000, issue legal tender notes, accept deposits, grant loans and engage in the exchange business. In Japanese colonies national policy companies engaging in rehabilitation, colonization and development played an important part as financing agencies, both directly and through co-operative associations.

The Oriental Development Company, established in 1908 to provide financial and technical assistance in the development of Korea, was the most important institution in this group and is among the firms being closed.

Likewise closed was the Deutsche Bank fuer Ostasien, which was organized in Tokyo in March, 1943, by a group of German banks to handle German accounts in Japan.

The closing included a total of 29 offices, branches and agencies in seven Japanese cities—Tokyo, Osaka, Nagoya, Kobe, Yokohama, Fukuoka and Shimonoseki. Six branches and offices of the Bank of Chosen (Korea) were closed in Tokyo Osaka, Nagoya, Kobe, Shimonoseki and Fukuoka; four of the Bank of Taiwan (Formosa) in Tokyo, Osaka, Yokohama and Kobe, and the Osaka office of the Bank of China. The rest were in Tokyo.

Termination of FEA Ordered by Truman

State, Commerce, Agriculture Departments, RFC Take Over Many of Its Duties

Domei

WASHINGTON, September 30.—President Truman on September 27 ordered the Foreign Economic Administration terminated and transferred many of its functions to the State, Commerce and Agriculture Departments and the Reconstruction Finance Corporation.

Earlier in the day, the President accepted the resignation of Leo T. Crowley as Foreign Economic Administrator, effective October 15.

The new presidential order called for the transfer of the Foreign Economic Administration functions to specified departments on the dates not later than December 31 to be designated jointly by the budget director and agency concerned.

Transferred to the State Department are FEA functions involving the administration of the Lend-Lease Act, participation by the United States in the United Nations Relief and Rehabilitation Administration and the buying of certain strategic materials in the liberated areas.

The Commerce Department will have charge of export control, technical industrial intelligence committee working now under the direction of the United States joint chiefs of staff, facilitation of trade and the functions of clearing office for foreign transactions and reports.

Transferred to the Agriculture Department were functions of the office of foreign food programs an all other FEA programs involving food, food machinery and other food facilities.

To the Reconstruction Finance Corporation were transferred the rubber development corporation and the petroleum reserves corporation.

CHINA PROTESTS TO SIAM

Issue Involves Clash Between Civilians and Soldiers in Bangkok

The Ministry of Foreign Affairs of the Chinese Government filed an official protest with the Siamese Government through the American Embassy in Chungking to be relayed to the American Legation in Siam against the clash between the Chinese civilians and Siamese soldiers and police in Bangkok, according to a Chungking dispatch to Domei on Saturday.

The Chinese protest demanded a full explantion on the incident and also that the Siamese Government should assume the responsibility to see that such unlawful incidents do not occur again.

General Wu Teh-chen, chief secretary of the Central Kuomintang, the report added, also informed the Siamese representative in Chungking to notify his home Government that the Chinese Government desires that measures be taken to suppress such illegal acts.

Although as yet no official diplomatic relations exist between China and Siam, a change for the better is expected, following new Siamese Mom Rajwon Seni Pramoj's clarification that Chinese civilians residing in Siam will be accorded friendly treatment.

YENAN PAPER HITS KONOYE

Declares Such an Arch-Criminal Must Be Punished

Domei

YENAN, September 30.—The Yenan paper Emancipation Daily on September 21, commenting on the two statements made by Prince Fumimaro Konoye, Japanese Minister without Portfolio, said that such an arch-criminal as Prince Konoye must be punished and expressed astonishment at the fact that he was not included in the first list of war criminals to be arrested by Supreme Allied Commander General Douglas MacArthur.

The first statement of Prince Konoye referred to was given at an interview to an Associated Press correspondent wherein the Prince blamed former Prime Minister General Hideki Tojo for starting the war against America.

Converting Belgian Notes

Domei

NEW YORK, September 28.—Arrangements have been completed between Brussels and Washington authorities for the conversion of Belgian bank notes and the declaration and deposit of Belgian bearer securities, Allan Sproul, president of the Federal Reserve Bank of New York, disclosed on Tuesday.

SELLING U.S. ARMY SURPLUS

Gen. Olmstead says Negotiations Underway with China

Domei

CHUNGKING, September 29.—Negotiations are underway for sale to the Chinese Government of United States army surplus property in China, Brigadier General George Olmstead announced on Wednesday, according to a dispatch to the New York Times. The property is valued at $150,000,000.

Most of the surplus will be available to the Chinese Government although United States Government agencies and non-profit organizations have first claim.

The Chinese are especially interested in road building and communications equipment. They want not only surplus in China but also supplies in India nd in the Pacific areas.

3 U.S. Fliers' Ashes Revealed in Shanghai

Had Been Shot for Participating in Doolittle's 1942 Tokyo Raid

Domei

SHANGHAI, September 28.—The discovery in a local funeral home of the boxed ashes of three American airmen, put to death by the Japanese for participation in the Doolittle flight against Tokyo in 1942, by Captain Jason Bailey, the U.S. War Crimes officer was told in today's dispatch by Julian Hartt.

Hartt said that the Japanese document captured at Kinangwan prison furnished information that led to Bailey's discovery. Boxes containing the ashes of the executed flyers were five inches wide and six inches high labeled with false names and numbered 103,104,170. The labels did not state the causes of death nor the list of the names of the next of the kin.

The Japanese document captured by Bailey, however, showed the true names of the remains and Hartt said, it was all too obvious that the false names had been placed on the boxes to conceal the monstrous action of the Japanese.

Hartt's dispatch said, Bailey also disclosed that the ashes of another Doolittle flyer—Second Lieutenant Robert Meder—had been located at Nanking and were en route to Shanghai. He had died of malnutrition, dysentery and beriberi. Ashes of all four will be turned over to the United States graves registration officer.

Hartt said the Japanese military guard who had watched the executions and helped dispose of the bodies described the event to Bailey. He said, the executed airmen were taken in automobiles from the prison camp in mid-morning to the cemetery, a few miles away. The Japanese interpreter told the flyers what was coming from the nearby lineup of Japanese soldiers, two of whom were assigned to each flyer.

The Japanese forced the Americans to kneel on mats, tied them to cross bars, then shot each man in the head.

After the execution, the bodies were put in simple coffins and taken to the residential-Japanese-operated crematorium in the Hongkew district of Shanghai where the bodies were cremated. Later, the Japanese held a brief ceremony over the ashes and took the boxes to the funeral parlor.

Although the names and the dates of deaths were falsified on the box labels, the document in Bailey's possession gives the correct name and record for each correspondent box number.

Hartt said that contrary to the previous reports, the Red Cross never had the ashes in its possession nor was the Swiss Consulate advised of the deaths of the three airmen.

NIPPON TROOPS DISARMED

Domei

SHANGHAI, September 27.—Japanese troops here have all been disarmed and together with the Japanese residents have withdrawn from the central section of the city. Those remaining are now in the Hongkew district formerly called "Little Tokyo", which was designated as the Jewish quarters by the Japanese during the war.

The disarming of the Japanese troops in the outskirt area of Shanghai has been postponed until the arrival of a sufficient strength of Chinese troops.

The first American vessel entered the port of Shanghai on September 26 since the outbreak of the war, and started to unload motor trucks and gasoline. She is one of the ships that left the United States six months ago.

34,000 Troops Disarmed

Domei

CHUNGKING, September 29.—The disarmament of 34,000 Japanese troops in the Hankow, Wuchang and Hanyang areas has been completed and the article of surrender of the Japanese forces in the Swatow district was signed yesterday, Headquarters of the Army and Air Forces of China announced today.

The Japanese warships and merchant vessels anchoring off Amoy, Chihlangtao, and Chinmentao were taken over by the Chinese on September 27.

International Issues Reviewed by Truman

President States Creation of Nippon Government Agreed By All Allies

Domei

WASHINGTON, September 27.—President Truman at his press conference today when questioned as to his reaction to a proposal from abroad for the establishment of an Allied Control Commission for Japan, said that the establishment of the Japanese Government had been agreed to by all of the interested Allied powers and that he had received no notice that it was unsatisfactory to any one of them.

Asked for comment on reports from London that the Russians were seeking the creation of an Allied Control Commission, Mr. Truman said that he had no comment to make adding that all he knew was what he read in the papers.

Truman Backs MacArthur

The correspondent pointed out that the White House policy statement on Japan had stated that in the event of any differences of opinion among the principal Allied powers, the policies of the United States would govern, and he was asked if there was any mechanism by which the Allies could make their opinions known. The President explained that the appointment of General MacArthur was concurred in by all the interested Powers and that he had designated to act for all of them.

In reply to a second query, Mr. Truman disclosed that the Allies could express their opinions on the occupation through the joint chiefs-of-staff.

Asked how the Russians could make their opinions known, since they have no members on the joint chiefs-of-staff, the President pointed out that the Russians have representatives with General MacArthur and that they also express their views through the White House, adding that the Russians had never expressed any dissatisfaction with the occupation.

Asked if General MacArthur might soon come to the United States for consultation, Mr. Truman said that he was not, adding that he had no reason to ask him to come.

Disposing Nippon Fleet

Queried as to the disposition of Japanese fleet units, the President explained that it would probably be worked out at a reparations conference just as German and Italian reparations were worked out.

Questioned about the disposition of the German fleet, the President disclosed that it had been decided at Berlin to divide it into three sections—one to Russia, one to Great Britain and one to the United States.

Asked if the Japanese fleet would be split up in the same manner Mr. Truman averred that be could not answer that question until he had more information.

Asked under what authority General Eisenhower had issued his directive yesterday, the President replied that General Eisenhower was fulfilling directives drawn up at the Berlin conference.

Questioned as to what statute governed the President's gift of a C-54 to French President Charles de Gaulle, Mr. Truman explained that the gift to General de Gaulle was made in the same way as the gifts to Chiang Kai-shek, the King of Saudi Arabia, and former British Prime Minister Winston Churchill; that is, under the War Powers Act. Pointing out that the United States had more C-54's than it can use, the President asserted that it was a gift from the government of the United States in a gesture of friendliness to the government of France.

Reports All Surmises

Asked to comment on reports that the accomplishments of the Council of Foreign Ministers so far had amounted to "practically zero," President Truman declared that these reports were all surmises, nothing but surmises, and recommended that correspondents wait for the official report before passing judgment.

Asked if President Roosevelt in his past conferences made a commitment to the King of Saudi Arabia that the United States would not make an issue out of the Palestine question, Mr. Truman replied in the negative. He said that there was no record of any conference between the King of Saudi Arabia and the President in which any such statement was made, adding that he had looked for it very carefully.

In reply to a query, Mr. Truman said that he would have his message to Congress on the atomic bomb ready sometime soon. Asked for his opinion on the question of sharing the secret of the atomic bomb with other nations, Mr. Truman said that he would express his opinion in his forthcoming message to Congress.

Asked when he expected Secretary of State James Byrnes to return from London, the President asserted that he expected Mr. Byrnes back within the next 10 days. Asked if there were any plans for another 'Big Three" meeting, Mr. Truman replied in the negative.

The correspondent said that David Lawrence, in his column last night had expressed the opinion that the United States was in an isolationist mood just as it was in 1920, and asked for the President's reaction. Mr. Truman asserted that he did not agree with Mr. Lawrence, adding that if "we ever get to that point, we are on the road to ruin just as we were in 1920."

Reviews Crowley's Case

The President disclosed that Foreign Economic Administrator Leo Crowley had been trying to resign for some time, but that each time he had persuaded him to remain in office.

Asked if he had any comment on the possibility that the site of the United Nations might be at San Francisco, the President replied that that was up to the United Nations to decide. He said that the United Nations would be welcome to come to the United States if they so desired.

Questioned about the St. Lawrence Seaway's announcement, Mr. Truman stated that he still intended to send a letter against the government plans for the St. Lawrence Seaway's project. Mr. Truman disclosed that he was going to reply to New York Governor Thomas Dewey tomorrow.

In answer to a question, the President pointed out that it will be up to Congress whether there would be a ban on the Seaway's project, adding that he had voted twice as a senator for constructing the waterway.

In reply to a query, the President declared that he was sorry that the Unemployment Compensation Bill had been shelved.

Asked for comment on the strike situation, Mr. Truman said that Secretary of Labor Lewis Schwellenbach was working on the matter, adding that he thought the Labor Secretary would reach a solution.

Egypt and Ethiopia Both Putting Claims To Occupy Eritrea

Domei

CAIRO, September 28.—Egyptian Foreign Minister Abdul Hamid Badawy Pasha, in answer to a written query by Associated Press, said on Tuesday that the Italian colony of Eritrea is part of the Anglo-Egyptian Sudan which Egypt has requested from Britain. Emperor Haile Selasse of Ethiopia has already made claims to Eritrea, asserting the territory "was stolen" from the Ethiopian Empire.

Shanghai Port Opens For Commercial Use

Admiral Kinkaid's Fleet Takes Over Duties of Old Asiatic Fleet

Domei

NEW YORK, September 27.—The United States 7th Fleet which has already opened the port of Shanghai to commercial shipping is scheduled to take over the functions of the old United States Asiatic fleet, Admiral Thomas C. Kinkaid, Commander of the 7th Fleet, said Tuesday at Chungking, Henry R. Lieberman reported in a delayed dispatch in today's New York Times. The dispatch adds in part:

Admiral Kinkaid in Chungking to discuss future plan with United States army and Chinese authorities told the press conference that he had been ordered to establish his 7th Fleet headquarters "afloat."

The headquarters will be off Shanghai with two flanks off the China coast—north and south. The 7th Fleet will continue to use its own name.

Rear Admiral C. T. Joy has been appointed to command the Yangtze patrol with headquarters in Shanghai, while Rear Admiral F. S. Low has been named to command the northern section. The commander of the other section has not yet been designated.

According to Admiral Kinkaid, the 7th Fleet now consists of aircraft carriers, group battle cruisers, light cruisers and amphibious units, minesweepers, tenders and other vessels. He said the fleet probably would be reorganized in the future.

"Our job now," he states, "is to coordinate with the China theater forces, bring in supplies, shift troops and bring in troops. Our job also is to clear the harbors. We don't intend to do all harbor work which is after all a Chinese job. We'll do what work is necessary and bring in convoys."

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Another Ban Lifted From Rail Travel

Ticket Holders Now Allowed To Travel Past Designated Station

More moves toward the gradual abolition of the restrictions which were imposed during the war on railway travel were made by the Transportation Ministry which has decided to end the rule prohibiting travelers from riding past the station disignated on his ticket on the Keihin and the Kyoto-Osaka-Kobe electric railway lines, and to issue new uniform-priced commutation tickets within Tokyo Metropolis. Both arrangements went int effect on October 1.

Under the new arrangement, commutation ticket holders who ride past their designated destinations in the Keihin area or the Kyoto-Osaka-Kobe area will receive the same treatment accorded them before the ban came into effect. This means that the act of the passenger who rides past his designated station will be recognized if he reports to the conductor or pays extra fare at the arrival station.

However, this does not apply to steam-train lines and those between the areas of steam and electric train service.

Rides past between the areas of private railways and Government tramcar services will also be recognized where the private lines connect with the Government and there is no need for the passenger to change from the one to the other line without having his ticket examined.

The new flat-rate commutation tickets, which will be good within the Metropolitan area, will be in books of 10 single trip tickets, each priced at 50 sen.

The section between which the tickets will be good are between Toyko and Kamata, between Tokyo and Kichijoji, between Tokyo and bata, between Ikebukuro and Akabane by way of Ogu, between Shinagawa and Tabata by way of Tabata, between Ikebukuro and Akabane, between Nippori and Kanamachi, and between Ochanomizu and Koiwa.

The tickets will be good for three months from the date of issue and stops-over will not be recognized.

The ticket-book will be on sale at the stations of the Government railway lines within the Metropolis, at Kichijori station, at the offices of the Travel Bureau within the Metropolis, and at Tokyo, Yurakucho, Shimbashi, Shibuya, Ikebukuro, Ueno, Nakano, and Omori stations.

Another innovation will come into effect from October 1. It is a third-class single trip ticket, price ¥1, and a second-class singe trip ticket, price ¥3. These special tickets will be between the stations within the area served by the Tokyo belt line and those within the city of Yokohama. They will be good on the day of issue only.

MANILA HEALTH PROBLEM

Bulletin Says Tuberculosis and Syphilis Rampant

Domei

WASHINGTON, September 28.—The latest issue of the United Nations Relief and Rehabilitation Administration's epidemological information bulletin released on September 26 reported that tuberculosis and syphilis are the two most important health problems of liberated Manila.

Based on the returns for the first three months of liberation, deaths from pulmonary tuberculosis have been calculated at the annual rate of 600 per 100,000 inhabitants. This is about 20 times that of the average American city.

In 10 weeks, 2,045 new syphilis cases were reported among the civilian population of Manila and the bulletin said the cases continue to increase. Gonorrhea is equally prevalent.

Although Manila was one of the few cities of tropical Asia where malaria had been reduced to a low level during the Japanese occupation, this disease returned and it now constitutes a serious problem.

The UNRRA bulletin said that there has been no significant increase of other epidemic diseases in Manila. The bulletin added that war shattered cities in continental Europe also are suffering from serious epidemics including pulmonary tuberculosis, bacilliary dysentery, typhoid fever and diptheria.

Obituary

Shinzujiro Matsuura, Privy Councillor and former Education Minister, passed away of old age on September 23 at Koshigoye, Kamakura. He was 75 years old.

Dr. Matsuura was formerly president of the Keijo and Kyushu Imperial Universities. He was nominated as a member of the House of Peers in 1930, became a member of the Privy Council in 1938 and appointed Education Minister in the Yonai Cabinet in 1940 but resigned in July of the same year.

Mrs. Kame Muraoka passed away on September 25 at the home of her brother, Toraichi Okamoto, at Hikuma Oshima, Yamaguchi Prefecture. Surviving are her husband Yasuo and daughter Midori.

U.S. Officer, Ex-Swimming Champ, Seeks Friendly Competition With Former Rivals

"Where can I meet Mr. Katsuo Takaishi and Mr. Yoshio Tsuruta?" an American lieutenant inquired at the Physical Education Bureau of the Education Ministry last Friday.

He was Lieutenant Benton Wood, former American swimming ace, who came to Japan in the summer of 1926 at the invitation of the Japan Amateur Swimming Federation to participate in a Japanese-American swimming meet held at the Tamagawa Pool. "Buster" Crabbe, the famous American free-style swimmer, headed the American team visiting Japan at that time.

Mr. Takaishi and Mr. Tsuruta, were two of Japan's outstanding swimmers, both making names for themselves in the Paris and Amsterdam Olympics more than a decade ago.

Driving up to the Education Ministry here in Tokyo from Yokohama in a jeep, Lieutenant Wood was most anxious to hold a reunion with his old swimming rivals. Although he is an officer with the U.S. 8th Army in Yokohama, the lieutenant still longs to get into a hotly contested swimming meet as he did in 1926 during his visit to Japan.

Upon being told by the director of the Physical Education Bureau that Katsuo Takaishi was in Osaka and Yoshio Tsuruta was in Nagoya, disappointment appeared on the lieutenant's face. He smiled again, however, and asked the director if he would kindly forward a letter to Mr. Takaishi.

Lieutenant Wood said that the letter he was sending Mr. Takaishi was a personal request asking the former Japanese swimmer to promise to meet him for a friendly "reunion" in the swimming pool of the Tokyo Imperial University on October 5.

Industrial Concerns Study Reconversion

All Undertakings Except Aircraft Factories Unable to Make Future Plans Yet

An inquiry has been made by the Nihon Sangyo Keizai to see what plans the principal industrial and mining undertakings in Japan have for the future, just a month after the termination of the war that necessitated a shift in the policy of those companies which had been turning out war materials with the support of the State.

Apart from the aircraft factories all other industrial undertakings including mining concerns are unable to make plans for the future for the reason that the national policy toward industries under conditions which brought about by the termination of the war, has yet to be fixed. The inquiry, however, has brought out what is hoped by the leaders of the industries investigated of the conditions they wish to see prevail under the new industrial system to come into force in the country.

As a result of the inquiry of the newspaper, the following information based on statements made by the leaders of the main industries, has been made available:

Mitsubishi Heavy Industries

Arrangements have been made for the Tokyo Machine Works, the Kawasaki Machine Works, and the Mihara factory to be converted into automobile repair and rebuilding factories. Ship repairing will also be one of the principal lines of business of these industries.

Kawasaki Heavy Industries and Kawasaki Aircraft

A part of the business has been closed. Instructions of the Government are awaited before future plans are made. Some directors have expressed a wish to retire, but they have been persuaded to carry on for the time being.

Nakajima Aircraft and Nakajima Aircraft Metal

The employes were discharged after being reinstated in the undertakings following the closure of the First Munitions Arsenal on August 31 and at the same time operations were suspended. Subsequently the undertakings were renamed Fuji Industry and Mizuho Industry. At the same time it was decided to concentrate on the production of peace-time goods. Fiber Machines, agricultural implements and cars are among the things it is proposed the companies should turn out in the future. When they will start operation is not yet known.

Tachikawa Aircraft

The management of the company is hoping to be allowed to convert itself into an automobile repairing factory or one for the production of first-class automobiles. Plans are under contemplation for a shift in the occupancy of the more important positions in the company and for a simplication of the structure upon which the company is based.

Aichi Aircraft

Simultaneously with the termination of the war the business was suspended. The greater part of the employes were discharged on September 11, but the leaders are remaining in office for the time. About 23,000 workers were employed by the company at the time the war came to an end.

Showa Aircraft

The directors are remaining in office pending determination of whether the undertaking shall be taken over in its entirety or whether a part of it shall be allowed to remain in existence.

Hitachi Aircraft

As the management has little hope for the future its present policy is to dissolve the entire undertaking.

Kawanishi Aircraft

The management is planning that the company should go in for the repairing of cars and the manufacture of agricultural implements and engines for fisheries. On what scale the proposed undertaking shall be has not yet been determined. It has been arranged for the company to be renamed the Meiwa Industry.

Sumitomo Metal Industry

The production of steel and other materials necessary to peacetime industries will be continued. It will concentrate upon the production of cars, materials for cars, and boilers. As to the light alloys in hand, it is hoped that ways will be found of using them in the manufacture of building materials, materials for furniture, buses, and passenger cars. There will be a general suspension of activities involving the use of aluminum.

Tohoku Development Aluminum

It is the policy of the management to turn to the manufacture of high-class chemicals, chemicals for use in agriculture, and medical supplies. Production of enamel ware is contemplated, but first of all the ground occupied by the factory, measuring 23,000 tsubo, will be turned into a model plantation.

Kokusan Light Silver

Plans for the future will be made according to factories, a course necessitated by the fact that some factories were damaged in air raids. The policy to be followed in making them has not yet been decided.

Nippon Steel Tubing

Production of materials for repair work for use by the company itself has begun by using the materials on hand. Efforts will be concentrated on the repairing of machinery whose use has been discontinued. The Kawasaki Iron Works is continuing production of steel products on a small scale. The Tsurumi Works is turning out thin plates. That department concerned in shipbuilding will undertake the repairing of vessels. The ferro-alloy factories at Toyama and Niigata will continue turning out silicon and manganese iron. The works at Osaka will finish piping as before.

Mitsubishi Steel

The policy of the Government is awaited. The factories in Korea and at Nagasaki are finding it impossible to operate. Assuming that the company will be allowed to manufacture steel in the future, it would be impossible to operate on a larger scale than did the Tokyo Steel Products. A curtailment of operations is considered unavoidable.

Japan Iron

An endeavor is being made to keep the furnaces working. Efforts are concentrated on the production of steel products which are essential for reconstruction work. The principal goods produced are nails, material for wire, and thin plates.

Daito Steel

This business will be reduced to some extent as long as the outlines of the plan of industrial rehabilitation are not known.

Mitsubishi Electrical

This undertaking received a considerable blow as it was chiefly engaged in the production of munitions. The production of electrical apparatus will be continued. Some factories were damaged in air raids, but an attempt is being made to restore them.

Hitachi Works

With operations completely suspended, no plans for the reconversion of the company are under consideration.

Japan Wireless

Plans for the future will be laid in the light of the Government's policy which is awaited.

Shibaura Works

Preparatory to the conversion of the company the various factories will be made to produce agricultural implements or pumps according to the conditions under which they are operating. As a permanent measure the production of machines such as will not be produced by companies affiliated with the works like printing machines and machines used in the manufacture of frozen oranges is contemplated.

Yuasa Electric Battery

The production of goods for use by the fighting forces has been discontinued. As soon as materials have been obtained, the manufacture of electric batteries for civilian use will be resumed.

Japan Car Manufacturing

To resume operations.

Toyoda Automobile

The factories are in continued operation.

Japan Oil

Four out of 10 factories owned by the company are capable of operation. Three of them are actually operating through the disposal of home-produced crude oil. Plans are studied for developing a new line of manufacturing chemicals.

Hitachi Shipbuilding

Operation has been suspended pending receipt of instructions from the authorities.

Japan Nitric Fertilizers

It is planned to maintain work as at present. However, equipment and investment in Chosen, amounting to ¥400,000,000, as well as investments in affiliated enterprises and securities, amounting to ¥700,000,000 will as a matter of course have to be reduced.

Japan Synthetic Chemistry

While it is planned to resume the prewar production of carbide and acetic acid, at present operation is being suspended.

Shinetsu Chemical Industry

Production of fertilizer, agricultural implements, and chemicals is being pushed positively. In particular, in the allocation of labor and materials, the center of gravity is being placed on fertilizers.

Toyo High Pressure

The plants of Nissan and Sumitomo and the Hikojima plant of this company are the only fertilized companies which were not subject to air raids. Rehabilitation work at Omuda will take till the end of this year. The company is planning to turn its attention mainly on the production of ammonium, sulfuric ammonium, acetic acid, and in particular ammonium sulphate fertilizers.

Mitsui Chemistry

Operation of the explosives and aircraft fuel plants has been suspended. But it is planned to expand the equipment and increase the output of fertilizers and agricultural chemicals, such as Ine (rice plant) hormone, and insecticides; as well as industrial chemicals. Hereafter, it is also planned to increase the production of rubber products, dyestuffs, and ammonium chloride.

Sumitomo Machine Industry

Production of motor tools, cranes, and articles for chemical use is being kept up, and it is intended to increase the output of goods for civilian use as much as materials permit. But there is no concrete plan for the conversion of equiphitherto used in armaments production.

Kubota Iron Works

Production at the time of the war termination was divided up at the ratio of 60 per cent for military requirements and 40 per cent for civilian requirements. Production of small Diesels, castings, kerosene motors for agricultural and shipping purposes, cast iron pipes, weights and measures, and other other tools and implements is to be increased. Part of the staff is expected to retire shortly.

Toyo Bearings

Business is suspended as the branch to which production will be shifted is as yet undecided.

Okuma Iron Works

Production is being planned of spinning looms, fish net manufacturing machines, noodle making machines, nail manufacturing machines, and others, and the number of workers is scheduled to be 1,000.

Fujikoshi Steel

Operation is suspended altogether, but while it is being planned to switch to other branches of production, time will be required until plans will be completed.

Osaka Machinery

The production of construction machinery and armaments is being suspended, and the work is to be switched to spinning looms.

Kawanami Industry

Business is suspended, and the works are waiting for an opportunity to start again. At present, settlement of advance payments and other office work is being liquidated.

Matsushita Electric Industry

This includes the Matsushita Aircraft, Matsushita Shipbuilding, and Matsushita Metal Works. The company will not dissolve, but, after closing down its armament plants, is about to switch over to peace production.

Japan Electric Weapons

Business is suspended at present. Probably work connected with wire communications will be taken up. A close investigation of the air raid damages sustained is under way. It will shortly be decided whether the main emphasis will be placed on repair works or on the production of new goods. Investigations are also conducted concerning the demand for electric fans, electromotors for agricultural purposes, and electric tools for fishing and commercial purposes, and production of such goods is being taken up.

Aichi Clocks and Electric Tools

Work was suspended with the termination of the war. Employes were dismissed on September 10. Only the full office staff remains for liquidation of all office work.

Hattori Watch Store

It is planned to stick to the production of watches and related articles and also to enlarge the commercial section. High class merchandise is to be turned out for the domestic and foreign markets, and the technical standards are to be raised. As both machines and materials are on hand, the conversion will be terminated quickly, and merchandise is expected to come out on the market by next spring.

Imperial Mining Development

Operations have been carried on, but on account of the lowered production zeal on the part of the workers, the output has been dwindling. Excessive prospecting is to be done, and the mining done at random during the wartime is to be readjusted. All expansion work has been abandoned.

Mitsubishi Mining

Work is being kept up both in the mines and coal mines, but the output has decreased considerably owing to the lowered spirit, the release of special workers, and the situation concerning Chosenese workers. The Okegawa Metallic Alloy Plant has been converted to civilian production, whereas work at the Niigata Metal Work has been suspended temporarily. At the Naoshima Cobalt Refinery Works, too, operations are suspended, and the situation is being watched quietly. Besides, following the wartime random mining, the mines are now chiefly engaged in readjustment activities and are putting off all positive development plans.

Furukawa Mining

Production of copper and coal is in the foreground. At the Ani mines, production of gold is also being taken up. As to the alum shales of Izu, production is being suspended, as the aluminum problem is as yet unsolved.

Education Ministry Encourages Sports

Championship System, Tokyo University Baseball League To Be Recognized

The championship system and the baseball league among the six leading Tokyo universities, including the Keio, Waseda, Meiji, Hosei, Rikkyo and Todai, as well as other leagues will be recognized and encouraged to promote sports among students, according to Domei.

Regarding promotion of sports, the Education Ministry held a meeting at its conference chamber on September 29 attended by Education Minister Maeda, Vice-Minister Omura, Physical Culture Bureau Director Arimitsu and presidents and heads of various universities and middle schools in Tokyo.

Unreserved views were exchanged in the course of the meeting regarding the methods of encouraging athletics and the following plans were adopted:

At all schools, sports will be conducted. The championship system will be recognized.

All military exercises and training such as shooting, bayonet practise will be prohibited.

The baseball league will be revived not only among the six leading Tokyo universities but among other schools throughout the country with the establishment of the league headquarters at the administration offices in prefectures.

TO SOLVE UNEMPLOYMENT

The Labor Bureau of the Metropolitan Police Board has decided to play a larger role in the solution of the unemployment problem. It will work through the liaison committee which will be formally organized in the board within a short time.

The committee, composed of 17 police officers in charge of matters related to the mobilization of labor within the Metropolis, will meet at the board every Tuesday and Friday.

The principal function of the committee will be to find ways of adjusting the demand and supply of labor in the metropolitan area.

A part of the attention of the body will be given to setting individual unemployed persons to work. The principle which will guide this work of the committee is that of finding for the unemployed jobs for which they are most fitted.

Shipment of Potatoes Due From Hokkaido

1.3 Million Bales Decided as Quota This Year for Japanese Mainland

The Ministry of Agriculture and Forestry, after deliberations with the Japan Potato Control Association, has set the quota of Irish potatoes to be shipped to the Japanese mainland from the Hokkaido within this year at 1.3 million bales, according to the Nihon Sangyo Keizai. Preparations are now being started for transportation of 600,000 bales by the maritime route and of 700,000 bales by overland routes.

Original plans for this year had been conceived under the wartime, when in view of the prevailing condition of the Aomori-Hakodate ferry connection it was thought altogether unfeasible to reach again the mark set for potato shipments from the Hokkaido during last year, when 1,329,450 bales had been shipped by the end of December.

Therefore, in an effort to satisfy the demands of the mainland as much as possible by self-supply, growing of autumn potatoes had been encouraged. However, preparations to provide empty bags required for packing the potatoes for transportation had altogether been missing, and at present, when the harvesting time has reached its peak, difficulties are being encountered in collecting the crops. Hence, all kinds of organizations as well as farmers throughout the country are being requested to offer whatever stocks of empty bags they have on hand.

Now, with the termination of the war, the importation from the Hokkaido which had been given up has again become possible. Supply of seed potatoes for next spring will be made smooth through increased autumn production, enlargement of the plantation area, for seed potatoes and utilization of elevated grounds. Thus it will be possible considerably to increase the planting area for next spring and to ease the foodstuffs situation.

Japanese Request Air Travel

To make up for the loss in rail traffic suffered between Osaka and Fukuoka by the typhoon of September 18, the Japanese Government has requested the Allied Powers for resumption of air travel between the two cities until rail lines can be put in service, it was revealed by PRO on Saturday. If the request is approved, the Dai Nippon Airways will operate two return trips daily, using Douglas C-3 type planes and military fuel and maintenance equipment. It is expected that a month will be required to put the rail lines back in operation.

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NOTICE TO RELEASED ALLIED CIVILIAN INTERNEES

The International Red Cross Committee invites all released Allied Civilian Internees remaining in Japan to register their full names, nationality, and present address with the Japan Delegation of the International Red Cross Committee, Central P.O. Box 316, Tokyo.

This request is formulated with a view to enabling the Japan Delegation of the International Red Cross Committee to answer inquiries from next-of-kin and friends concerning present welfare and whereabouts of Civilians released from Internment Camps in Japan.

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Exhibiting Japanese Arts

An exhibition of Japanese arts will be opened on October 3 and 4 between 9 a.m. and 4 p.m. on the fifth floor of the Mitsukoshi Department Store at Muromachi, under the auspices of the Japanese Art and Applied Art Association, which has collected 500 pieces for the display. Members of the Allied Forces are invited to the exhibition on October 1 and 2 prior to its opening to the public.

Classified Ads.

Advertisements or replies to the same by POSTCARD, should be TYPEWRITTEN and accompanied by the nationality, name and address of the sender in Japanese.

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COMPETENT Japanese lady typist with good knowledge of English wanted in Tokyo.
Apply Box 252, Nippon Times, Tokyo.

DESIRE experienced English speaking Japanese cook and amah, man and wife preferable, for American officer.
Apply Box 263, Nippon Times, Tokyo.

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Apply Kumao Arai, 1235, Matsunoki-cho, Suginami-ku, Tokyo.

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Apply Box 7, Nippon Times, Tokyo.

HOUSEKEEPER—English speaking Japanese lady, wanted by American officer. Please state particulars.
Apply Box 264, Nippon Times, Tokyo.

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Apply to the Hotel New Osaka, Osaka.

Situation Wanted

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Apply Box 294, Nippon Times, Tokyo.

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Apply Box 292, Nippon Times, Tokyo.

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Apply Box 295, Nippon Times, Tokyo.

SAFETY razor blades, Japanese made, best quality.
Apply Box 268, Nippon Times, Tokyo.

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FOREIGN-style house in Tokyo or suburbs.
Apply Box 290, Nippon Times, Tokyo.

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Wanted to Buy

BED sheets, electric konro (heater) and gas konro (heater) wanted immediately.
Apply Fumitake Iino, No. 1913, Sanno 2-chome, Omori-ku, Tokyo.

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Freedom of the Press

The recent order from General MacArthur's Headquarters forbidding the Japanese Government to censor the press or other channels of public expression except on express permission of the Allied authorities is being gleefully welcomed by the majority of the Japanese people. It goes without saying that the Japanese press is highly gratified, for it has long had good reason to grieve over the oppressive censorship policy of the Government which had perverted the press into a mere instrument of official propaganda. The general reaction of the Japanese newspapermen is that life is at last getting to be worth living.

But it is not only in newspaper circles that the prohibition of censorship is being welcomed. The general public, now realizing how sadly it had been duped by the Government during the war and also surfeited to revulsion by the stereotyped official handouts which told nothing significant, is looking forward in high anticipation to the exhilarating prospects of at last getting some exciting, colorful and truthful news.

More than the joy which the prohibition of censorship offers to both the writers and the readers alike, however, is the significant effect which this move will have upon the development of Japanese democracy. It is a truism in the West that no autocracy can exist with a free press and that no democracy can exist without a free press, but Japan as yet lacks the political experience to comprehend this truism fully. But now that Japan has committed herself to the pursuit of democratic ways, it is necessary for her to learn to respect the institution of the free press as a guarantee of her new status. It is fitting, therefore, that the freedom of the press has been unequivocably assured by the latest ruling from General MacArthur's Headquarters.

There is, however, one regrettable feature about this business. It is that the removal of censorship has had to be ordered by General MacArthur's Headquarters instead of coming spontaneously on the initiative of the Japanese Government. In fact, General MacArthur's order was specifically called forth by a particularly flagrant and stupid attempt of the Japanese authorities to stop the delivery of certain Japanese papers for carrying news which was already known to all the world except to the Japanese. Actually, even many Japanese already knew of the matter, for some copies had gotten into circulation before the authorities made their clumsy attempt at suppression, and the story moreover had been broadcast within Japan itself over the Armed Forces Radio Service so that any Japanese understanding English had ready access to the news. The futility of the Government's attempt to suppress such news is obvious; the stupidity of the Government in attempting such a futile suppression is disgraceful; and the arbitrariness of the Government in persisting in defying the democratic trend of the times is inexcusable. In drawing the rebuke of the Allied Headquarters, the Government only got what was properly coming to it. But it is a matter of chagrin and shame to the Japanese people that their Government still remains so unregenerate and inept as to merit a periodic spanking from the Allied authorities.

Certainly it is the desire of the people to have the nation move along as speedily as possible in the direction of true democracy. The wish of the people is that the Government will move ahead in advance of the orders of the Allied authorities and thus prove that Japan is capable of becoming a true democracy without being coerced from the outside. The statement of the Prime Minister several weeks ago committing himself to freedom of speech and freedom of the press was welcomed by the public as a commendable move in the right direction. But unfortunately, it seems that however good may be the intentions of the Prime Minister and the higher authorities, the lower functionaries who carry out the actual administration are still unable to rid themselves of their despicable authoritarian habits.

It is too much to expect that the unintelligent police and censorship officials can rid themselves of their authoritarian habits of a lifetime and immediately come to understand the meaning of free speech or a free press. Such incorrigible officials should be speedily replaced by more progressive and liberal officials. The Government is at fault for lagging in carrying out the thorough house-cleaning of the administrative structure which is demanded not only by the exigencies of the time but by the Japanese people themselves.

In the meantime, welcome as are General MacArthur's safeguards for the freedom of the press, it must be recognized that such a freedom is at best a sorry makeshift so long as it has to be protected by foreign authority. Freedom of the press and the democracy with which it is inseparably linked cannot be considered safely established in Japan until they can stand alone without foreign support. It is to be hoped that democracy with its concomitant of the free press and free speech will be so taken to heart by the Japanese nation that there will soon never be any danger of a reversion to the past even after the removal of the occupation. Unless this is done, there can be no hope for the rehabilitation of Japan. Democracy, with freedom of the press as its bulwark, must come to stand without the aid of foreign props if Japan is to raise herself from her present fallen estate.

State Will Cultivate More Farming Lands

Sengoku Avers Agriculture Ministry Making Plans For Five Years

Dr. Kotaro Sengoku, Minister of Agriculture and Forestry, discussing his policy in a press interview on September 28 on the train bearing him to the west, where he was to visit the Grand Shrines of Ise for the first time since his assumption of the Cabinet post, stated he was determined to carry through the plan of bringing 2,000,000 more cho of land in the country under cultivation in five years, according to Domei.

He also said that a new bureau, tentatively called the Development Bureau, would be set up in the Ministry of Agriculture and Forestry which will be the instrument for the enforcement of measures necessary for the successful enforcement of the five-year plan.

He had a vision of the entire nation engaged in agriculture in accordance with one of the main planks of the platform of the present Cabinet.

What characterizes Dr. Sengoku's development plan is the utmost stress placed on the rapidity with which waste-land in the country shall be reclaimed. The Ministry of Agriculture and Forestry is pushing preparations for the realization of the project which will be started very shortly.

It is estimated that upon the completion of the plan there will be an increase of 20,000,000 koku in rice yearly produced in the country. At present 6,000,000 cho of land is under cultivation in Japan.

The authorities concerned are under no illusions about the magnitude of the difficulties which will have to be overcome before Dr. Sengoku's idea of bringing 2,000,000 more land under cultivation in addition to the 6,000,000 cho which is already developed in the country.

The first problem confronting them is that of how to acquire for the State that part of the land to be reclaimed which is in private ownership, and which forms a large portion of such land.

A second difficuty is that of getting agricultural machinery, notably tractors. It is estimated that 2,000 tractors will be needed in order to carry out the five-year development plan. About 400 have been ordered for since the war prior to which there were 100 in service.

It is said that the greater part of the work of reclaiming 2,000,000 cho of land will be performed by the Agricultural Land Development Corporation. The Development Board is expected to be opened before the middle of October. Then it is anticipated that rapid progress will be made in getting the five-year plan for the development of land to take shape.

Morgan Given UNRRA Job

Domei

WASHINGTON, September 28.—Lieutenant General Sir Frederick Morgan, formerly Deputy Chief of Staff under General Dwight Eisenhower, has been appointed as director of Displaced Persons Operations in Germany, it was announced by UNRRA director Herbert Lehman.

THE NEW BUDGET

Stress Laid on Stabilization of People's Livelihood

By MOJI WATANABE

The budget for next fiscal year should have been decided during the latter part of July, but due to the severe air raids it was delayed this year. While the Government was considering plans to adjust the budget to the changed economic structure of the nation the latest sudden turn of events came and the budget was finally decided on August 24 after having been completely revised in accordance with the aim of postwar reconstruction.

It was in 1934 that Japan's war time finance came into existence, and it continued for nine years. The result of this was inflation, but Japan is now turning away from unproductive use of State funds.

The Government's latest decision was made only on the main budget for the next fiscal year, and since no concrete figures are available regarding the war reparations our nations will be called upon to pay, it is impossible at this moment to conjecture what will be the general character of our postwar finance. However, the chief feature of next year's budget is found in the fact that the greatest stress is laid on the stabilization of the people's livelihood.

The object of Japan's financial policy, as officially revealed, follows: "The main aim of our finance and economy is to maintain domestic order, stabilize the people's livelihood and bring about a speedy restoration of our national economy."

Likewise, regarding the expenditure set aside for the various Government Ministries, it was revealed: "The main aims of the measures of the various Ministries shall be future construction, maintenance of social and economic order, and stabilization of the people's livelihood. Those past measures that do not conform with the foregoing aims should be fundamentally revised or abandoned."

It should be noted that next year's budget cannot be said to have been completely freed from its wartime character; for there are many items of expenditure which are wasteful in nature and which are remnants of wartime finance. Such disbursements are liable to remain in the budget for several years to come.

The following seven items are the main disbursements in the 1946 budget:

1. The Imperial Household expenditure and special items of expenditure for national loans.
2. Obligatory expenditures based on laws related to the disposal of current problems and whose continuation is considered to be necessary.
3. Expenditure for increased production of foodstuffs and daily necessaries.
4. Expenditure for the relief of war victims, the bereaved families of the war dead and disabled veterans.
5. Expenditure for the welfare of former soldiers.
6. Expenditure for industrial reconversion, replacement of labor, restoration of devastated areas, transportation and communications facilities and other urgent requirements.
7. Expenditure for other indispensable activities of national administration.

The foregoing reveals that all the items with the exception of the first, second and third are for reconversion from war to peace conditions, and no other expenditures have been included.

The special military expenditures will be settled at the winter session of the Imperial Diet when all military items will totally disappear from the Government's budget. Any one will be mistaken if he should expect any savings in the budget now that the war has ended because a vast amount of expenditure will be necessary for the demobilization of several million servicemen. Moreover, the Government will have to settle its debts to munitions companies. Hitherto, the restriction of advance payments to the employes of munitions industries had been considered as a preventive measure against inflation, but there is a vast amount of unpaid balances on the part of the ordnance bureaus of the army, navy and the air forces. The amount of compensation to be paid for suspension of contracts with munitions companies is estimated at a vast figure.

It is possible that ¥85,000,000,000 may not be sufficient to cover all these expenditures. It may seem strange that war expenditures have to be considered now that the war has actually come to an end; but such is the case and it cannot be avoided. Thus, it would be necessary to exercise strict surveillance over the use of military funds even during the prevailing period of confusion due to the demobilization of the armed forces.

When military expenditures have completely disappeared from national finance, their place will be taken by reparations payments in the form of a special account. In the past, Japan was a creditor in such a special account, but this time she will be a debtor. At present we have no way of knowing what will be the amount of reparations we must pay to the Allied Nations. However, it is hoped that the amount will be smaller than our past military expenses.

We are face to face with the conclusion that our national expenditure will not be decreased to any great amount even during the postwar period. On the other hand, the amount of our State revenues will become smaller, as might be anticipated from the simple fact that our territory has been reduced in area. Moreover, the blow from the war will show its effect in the future in the form of a reduction in national income. Furthermore, great will be the effect on the national income of the rapid depreciation or suspension of the nation's productivity consequent to industrial reconversion. True, the nation's revenue in monetary value has been increased, but this is not a real increase. We have already witnessed a reduction of ¥3,000,000,000 in revenue from taxes for the fiscal year of 1945. There will be difficulty in enforcing the policy of national savings hereafter. Financial deficits, inevitable because of the foregoing factors, will make the adoption of a policy of loans, as the principal method of securing State revenue, inevitable.

There is no doubt that the amount of goods to be produced by our nation hereafter will be smaller than hitherto, because of our restricted territory and the reduced amount of materials and resources at our command. Although great efforts will be made to increase production of necessary goods, it will take some time before they can be distributed among the people.

The total amount of notes issued by the Bank of Japan passed the ¥40,000,000,000 mark at the end of last August. It was in March of this year that the ¥20,000,000,000 mark was passed; it increased to ¥28,500,000,000 at the end of July. Therefore, from the above, it can be seen that a ¥10,000,000,000 increase was recorded in August, the last month of the war. This was due in part to the withdrawal of deposits by the people because of their mental unrest, but another great cause is found in the payments made in cash in connection with the demobilization of the servicemen and the workers of munitions industries.

One may say that mere currency expansion does not result in inflation unless it is turned into purchasing power. However, it cannot be denied that an increase in the amount of currency has created inflation. The truth that inflation becomes active after war instead of during war is likely to be demonstrated hereafter.

The public should guard against the optimistic view that the suspension of military expenditures will prevent inflation. Since the war has ended, we can if we desire effect a cut in government expenditure. And why not? The authorities of the Finance Ministry should have been more courageous in their budget-making.

PROBLEM OF INFLATION

Outlook for Postwar Period Does Not Warrant Optimism

By TSUNEYA MATSUI
Director of the Nitto Security Company

In wartime inflation is caused by the vast amount of military expenditure and the reckless flotation of red-figure Government loans. In the postwar period, however, these expenditures and loans will be rapidly decreased on the one hand and on the other civilian production will be speedily revived. It is because of this that some entertain the optimistic view that inflation caused by the war can be effectively curved.

But the matter is not so simple. True, inflation would not be so intense provided civilian production is revived effectively. However, it will take some time before civilian production can be revived to any great extent. Furthermore, the revival of civilian production will be set back to a certain extent by a dearth of raw materials. In addition to these difficulties, the payment of war reparations in kind and its effect on civilian production will have to be taken into consideration because civilian goods will likely be included in the war reparations items.

Furthermore, there will be vast Government expenditures even after the war in amounts no less than war expenditures. Huge expenditures will be necessary for the adjustment and compensation of munitions industries, for effecting industrial reconversion or for undertaking new industrial enterprises. Compensation to be paid to munitions companies whose expanded capital totals tens of billion yen will reach a stupendous amount, even if such compensation is to be made only on dividends. The Government also will find it necessary to meet the financial needs for the relief of war victims and to maintain their livelihood. Further expenditure will be needed for the restoration of the raid devastated areas and damaged facilities and there are many enterprises which will require a stupendous amount of money, including those for stabilizing the livelihood of the people and for the reconstruction of the nation.

In the event civilian production cannot be put on an effective basis, the only way to prevent the aggravation of postwar inflation would be to absorb the people's purchasing power. But the Government will have great difficulty in continuing its policy of encouraging national savings as its control over the people has somewhat waned. This is especially so in view of the fact that the Government found it difficult to carry on its policy of national saving when the war situation became unfavorable. Thus, it may be said that not much can be expected from the policy of national savings in fighting inflation hereafter. Furthermore, with the termination of the war, there is an increasing tendency among the people to withdraw their deposits and to keep their money in their hands, and it seems that the prevention of such a tendency is almost impossible.

As to the possibility of absorbing capital by means of increased taxes, it must be noted that the disposal of the unemployment question and the imposition of heavier taxes would be inconsistent with each other. It is widely known that Germany after World War I was unable to increase her taxes; and we may anticipate that our nation may face a similar difficulty.

The Government will lose its power of control in all matters. At present there is a slight hope of converting currency into negotiable securities. But, there is the possibility that the negotiable security market may be a means to aggravate inflation.

All these considerations point to a gloomy outlook regarding postwar inflation. We must not forget the fact that inflation is a social phenomenon aggravated by psychological unrest. It cannot be denied that the power of mass psychology has serious consequence, especially in view of the decreasing controlling power of the Government. Therefore, it is our desire that the Government will lose no time in taking concrete steps to combat inflation. On their part, the people must be prepared to face more privations and hardships.

SUPERSTITIONS IN JAPAN

Beliefs Go Through Various Stages of Evolution

By S. ABE

III

This story could hardly be accepted by modern people. Probably it may be a fabrication of Gensho, or an invention by the author of the Azuma Kagami, or the work of some third party which was carelessly incorporated into the book. The crux of the question, however, lies not in the truth of the story, but in the fact that such a story was widerly circulated among the people during the Kamakura Period (1192-1337) as the truth.

The writer believes that mathematicians or magicians in those days certainly amazed many people with actual demonstrations of their wonderful arts, though it is possible that what they did amounted to little more than tricks and juggling. During the Meiji era, a sensation was created in the learned circles of Japan by the so-called clairvoyance case. The first clairvoyante claimed to be possessed of the ability to see through a hermetically sealed box and to guess its contents and also to impress upon a dry plate in a camera characters through psychic photography. All was exploded as a trick, however, with the salutary result that all would-be clairvoyants or clairvoyantes were swept out of existence. In the old days it is conceivable that the mathematician or the magician may have catered to popular curiosity by exaggerating their wonderful arts, which escaped close scrutiny on the part of more rational minds, unlike the clairvoyance case during the Meiji era. Thus such wonders were recorded and handed down from generation to generation.

Did Not Believe in Magic

Nevertheless, some people did not believe in such magic. During the Nara Period (710-793 A.D.) various sorts of tricks were imported from China, and history shows that juggling was performed as entertainment at the Imperial Court and on other occasions. Jugglers later made their performances in the precincts of shrines and temples or in the streets of Kyoto. These jugglers, as in Europe, were dubbed sorcerers during the Nara Period, but even people at that time were intelligent enough to distinguish between magic and juggling. It must be remembered, however, that confusion in nomenclature is apt to lead to misconception or vice-versa in this country as elsewhere. The Konjaku Monogatari describes "foreign" arts which the book says were performed by some people in Kyoto. They took off their footwear and threw it into the street where it ran away as if it were a dog. Sometimes they were supposed to enter the body of a horse from its anus and go out through its mouth. But these accounts were made by the author of the Konjaku Monogatari with the full realization that they represented jugglery. The same author, however seemed confused about the distinction between juggling and magic when he referred to a case of forced growth of watermelons. One summer a farmer came to Kyoto from Yamato Province, leading a horse burdened with baskets full of watermelons. When he came to Uji, south of Kyoto, he took a rest under a large tree in the northern suburbs of the town. He was eating a watermelon from the baskets when an old man happened to pass by and asked him for a melon. The farmer was too stingy and refused, so the disappointed old man said, "Then, I shall grow watermelons myself." With these words, he picked up a piece of wood, dug up the ground and then levelled it. In this piece of ground he sowed seeds of watermelons which the farmer had thrown away. Soon the seeds sprouted buds, which grew so fast that blossoms suddenly appeared. Before one was aware, there were huge, ripe watermelons on the vine. The aged man picked one and gave the others to the astonished people who had gathered. As soon as the people had eaten them the old man quietly went away. This reminded the farmer that he must also resume his journey to Kyoto, but he found to his amazement that all the baskets on his horse were empty.

This story may have had its origin in China, as was pointed out by the author of the Misemono [illegible] (Studies in Shows), who refers to a biography of Chang Chien in the Han Shu (biographies of leading men during the Han Dynasty), which contains an account that magicians were presented to the court by some feudal lord. These magicians were said to have been able to perform fire-walking, sword-swallowing, and to produce the forced growth of watermelons. These performances featured entertainments at public banquets during the Han Dynasty. A Chinese book, the Wutsaso, sheds lurid light on the art of the forced growth of plants as performed by jugglers in China. If a lotus seed is put into a bowl containing warm water, the book says the seed will sprout before long and then bear a flower as large as a wine-glass. The book also claims that a watermelon seed, planted in the belly of a chicken, which is cut open, will quickly sprout and bear a watermelon which is good to eat. The author of the Konjaku Monogatari apparently got his idea from this Chinese book, though there is no doubt that methods to force the growth of plants had been introduced from China many years earlier.

Many Strange Beliefs

Be that as it may, the account of the watermelons gives the impression that the author of the Konjaku Monogatari was a victim of the confusion of ideas. The author may have been prompted by the desire to make a laughing-stock of the stingy farmer, who was victimized by the clever juggler, or to treat the aged man as a mystic or fairy.

There are too many stories about Japanese superstitions to be enumerated here, but all these stories, however gross or absurd they may have been, were at one time accepted as fact. The Setsubun festival which takes place on February 3 each year, is marked with bean-throwing while heads of sardines are put up at every door. The real meaning of the bean-throwing and the heads of sardines has been lost to modern Japanese. Long ago, however, when the strange practice began, it must have had enough meaning to convince people of its rationality, which is the manner in which all superstitions originate. Even now, some people in mountainous regions in Japan are said to be naive enough to believe that the evil spirits of epidemics and vermin can be spellbound by sardines' heads and thus eaten up by foxes or wolves. They cannot help putting sardines' heads at their doors at the beginning of spring in spite of themselves, if they care to enjoy their health and have a good harvest in the coming year.

Reference may be made here to a certain criminologist who asserted that not a single crime exists in the world as such from its very beginning. At some stage of social evolution, even murder and theft were virtuous deeds. The Spartans never regarded theft as a crime, but did not hesitate to chastise a weak mind which confessed to theft when put to torture. With the gradual evolution of society, many things were tabooed in accordance with the requirements of society. The result is that those who violate the taboos are branded criminals. Was it conceivable a century ago that anyone who would drive too fast on a highway would be punished? Criminals are those who fail to keep pace with the advance of the times. The quicker the advance, the larger will be the number of criminals. The same conclusion may apply with equal force to superstitions. History shows that with the advance of human intelligence, old beliefs have been discarded one after another, but some old beliefs still survive in outlying regions which have lagged behind in the race for enlightenment. Old, simple superstitions will survive in the rural districts, while a conglomeration of various superstitions is whirling around in urban districts, as it were, parallel perhaps to the greater number of various criminals in the urban centers.

(End)

U.S. To Take Over Hospital

The Supreme Command will assume control early next week of the Tsukiji Memorial Hospital, an original gift from the American people to the Japanese following the 1923 earthquake. It will be used for hospitalization by 8th Army Occupation Troops, says a PRO announcement on Saturday. Located in Tsukiji near Tokyo Bay, the institution is regarded as one of the finest equipped in the Orient. American relief funds raised by popular subscription in the late 1920's enabled it to be given the latest in surgical and medical facilities, and it was at one time staffed by both American and Japanese doctors. The Japanese call it the "Do-Ai," literally translated "Brotherly Love."

JAPAN'S SCENIC BEAUTY

Topography Has Much to Do in Making Our Scenery Unique

By T. [illegible]

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Scenic beauty is not the production of a single factor, or even two or three factors. It is the result of a large number of factors complementing one another, different combinations of factors producing different types of landscape. The wide range of variety in Japan's scenery would then be accounted for by the larger number of factors which interact in the creation of its scenic beauty, and whatever unique beauty it has would then be accounted for also by the unique factors at work there. If we consider these various factors in turn, the topographical and geological features, the climate and the vegetation, we shall see how, in the case of Japan, these factors are such that their combination and interaction give rise to great beauty and great variety in the scenery.

The topographical features play an important role in making Japanese scenery unique. The country consists of a chain of long, narrow islands, on which tower comparatively lofty peaks. High mountains rising up on a narrow strip of land necessarily give rise to steep slopes down which course swift streams. These eat away their beds until gorges and ravines are formed. But not in any uniform manner, for the presence of rocks of different degrees of hardness and of faults in the course of the streams, will, together with other factors, cause the erosion to be uneven. The result will be the formation of waterfalls, rapids, pools and pot-holes, with varied and unique scenes. Thus have been created the beautiful gorges so frequent in Japan, which are, when the beauty of forests is added, so uniquely a feature of the Japanese landscape.

The scenery of the seacoast also depends on the topographical features. When a great plain borders on the sea, the landscape is lacking in all interest, with no inlets or indentations to break the monotony of the long straight coast line. But an uneven coast with cliffs and varied coves and creeks create, as in Japan, contrasting and lovely scenery. The beauty of Japan's seacoast is then the product of its topographical features.

But perhaps it is necessary to go a step further and discuss the origin of Japan's topographical features to see why it is that the Japanese archipelago is long and narrow with high mountains rising in them, for the interactions of the topographical factors in the creation of scenic beauty cannot perhaps be elucidated without some discussion of their origin, the fundamental causative factors in the unique beauty of Japan.

The Japanese archipelago consists of four folding mountains in the form of an arc these being the arc of the Kurile Islands, the North Japan, the arc of South Japan and the arc of the Loochoo Islands. The convex sides of these four arcs face the Pacific Ocean, and are connected together in three gigantic festoons hanging on the eastern border of the Asiatic continent, for the arc of North Japan and the arc of South Japan merge into a single one.

If they rose up in the middle of a land mass, these chains of mountains would form a gigantic range, comparable to the Alps in Europe, but rising from the bottom of the Pacific Ocean and separated from the Asiatic continent by the three great marginal seas known as the Okhotsk Sea, the Japan Sea and the Eastern China Sea the tops of the mountains alone appear above the surface to form the islands of the Japanese archipelago, from the indented coast line of which the seabed runs sharply down into the Nippon Deep, 8,000 metres in depth.

Since before the Tertiary Period, the shape of South Japan has changed but little. Then, however, in North Japan, the mountains of Kanto, Abukuma and Kitakami, and the Hitaka mountain range alone rose up above the surface of the ocean to form separate islands, while the rest of the country was still submerged below the surface of the sea. In the Tertiary Period, great terrestrial disturbances occurred both on the land and in the sea, accompanied by a series of upheavals and subsidences. With the final upheaval, the area of Japan was doubled and the mountain ranges which had up till then formed separate islands were connected together by dry land. The area of South Japan also increased, but not in such a marked degree.

This remarkable upheaval which occurred in the Japanese Islands in and after the Tertiary Period, resulting in a great increase in the area, brought about at the same time a remarkable rejuvenation of the topographical features.

The great terrestrial disturbances of the Tertiary Period mentioned above were accompanied by the development of a number of faults in various directions, dividing the Japanese Islands into a large number of fault-blocks, which have since been subjected to different upheavals or subsidences. Consequently the Japanese archipelago as a whole has developed an extreme complexity in geological structure—a complexity which is reflected in the topographical features. This is a major factor in the varied beauty of Japan's scenery.

(To Be Continued)